

COASTAL ALASKA ADVENTURES

Dedicated to providing access to Southeast Alaska

To-

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From-

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To Whom It May Concern:

I am writing the following letter as objection/comments on the recent Shoreline II Draft Record of Decision. I commented during the required time frame last year on these related subjects involving big game hunting and guiding in SE Alaska, particularly Unit 4.

1) Prospectus

Overall I would like to object to the idea of a prospectus, unless it is further defined as to how it will be implemented. As it is understood the prospectus process could include taking away all of our special use permits in 2023 and reallocating them under a prospectus process. I feel a prospectus should only be instituted for new or under allocated use, such as if a operation goes out of business or use is rescinded due to violations. Permits currently in good standing should be renewed and not subject to a prospectus.

To place us all under the threat of prospectus will decimate the guide industry on the Tongass as well as putting the resource at risk. As has been discussed at great length, the industry in SE offers a wide variety of opportunity for forest users. Guest looking to come and hunt in SE can choose from small operators working from fishing vessels to guides using luxury yachts. Some say there is not room for both, but history has shown

this not to be true. The guiding industry in SE has evolved into what it is today due to demand and process. The hunters wishing to hunt on luxury yachts will not come and hunt on fishing boats, even if that is the only option and the same holds true in the other direction, some can only afford to hunt on smaller boats, and this is good, this is called options and helps to best meet the need of the end user.

It's not just that the operators suffer, the SE economy as a whole does. If I only had a few brown bear permits, and no long-term guarantee that they will be mine, I am not going to spend the money I do. I am not going to hire full time employees; I am not going to invest in infrastructure and overall support the SE economy, especially in small towns. Take one full time job from Tenakee, or the \$50-100k a year I spend in shipyards in Petersburg. Either way that affects the economy of small towns. Sure, guiding will continue, and maybe everybody is on a level playing field with a few permits, then everyone has to cut their operational expenses. No big boats, all fishing boats or small economical boats offering hunts. Guides may make a living, but money will not flow freely into SE Alaska as it does now. If you take a boat that is already a fishing boat, and now do a few hunts off of it all your are doing is putting extra money in the pocket of that guide. Yes, he may spend it around town, but he is not pouring extra money into shipyards or employment. He does not have a staff of 10-15 he keeps going. He may have him and one part time seasonal guide. There is a place for these guides, and they show a rich commitment and history in the industry, but you must have both.

It is important we keep a system that works, and we have a system that has evolved over the last two plus decades and shows two important aspects, really the only two it boils down to- Conservation of the resource and the available experience for the forest user. We can have this while also contributing to the overall SE economy.

2) Transferability

I have purchased 4 guiding businesses and had their existing use permit transferred to me. I did this because it was what I had to do to achieve my dream of guiding brown bears in Unit 4, where I grew up. Did I like it? No, but it was the system and I worked with it. But, now that other options may be there I do not see why this system should continue. I believe that the USFS should stop allowing the transfer of permits. No matter how you do it, it puts a value on the resource. If a guide/outfitter wishes to retire or exit the industry then his permit should be turned back over to the USFS and that permit, or it's use be reallocated through prospectus. Truly, this would solve all of our problems and any questions of legality and fairness. I wish this had been the system in place when I started. Permits should not be part of a guides retirement plan; it is the use of a resource and should be allocated fairly. If we couple this with a good prospectus system that does not penalize existing operators we are creating opportunity for new operators while maintaining a working system.

The system should be that if you have a use permit in good standing you receive an automatic 10-year renewal. This will allow for existing operators to feel comfortable investing in capital and growing businesses while supporting the SE economy. But, if a

guide retires, is not a “good” operator, or otherwise exits the business then the permit is taken back by the USFS with guaranteed reallocation by prospectus. This system would allow for comfort and safety of existing business while allowing opportunity for new entrants.

I would recommend that we give a grace period to implementing this new program, as we know there are currently some transfers in progress.

3) Corporations/LLC

Corporations and LLC’s need to be closely looked at. Overall I would object to their inclusion in Shoreline. But, it could be a benefit to many of us. The main example I can think is that when I had children (I have a 2 and 4 year old) my wife and I had to plan around bear season. Not because I felt bear hunting was more important than the birth of my children, but because it is the main source of our income. The way permits are structured now I have to be in the field as the contracting guide, or within certain proximity. Had I been allowed to have a corporation, or LLC that had another guide listed on the permit then I could have allowed him/her to run the season while I stayed home for such an event. This would also be key if, as a parent, one of my children became ill or something else came up I needed to be in town. I could legally have another guide working and keeping my business afloat. A prime example of this was when Scott Newman from Petersburg was mauled by a bear on the first hunt of the season. At that time LLC’s were allowed and I was listed as a guide on his permit. I was able to finish the season while Scott was in the hospital. Saving him from bankruptcy and allowing the clients to come on their hunt. Had this not been allowed at the time Scott would have had to cancel the hunts, hunters would have been out plane tickets, travel, licenses, etc. It would have been a mess.

While I do support the inclusion of LLC/Corporations for this reason I do not think it should be allowed for the expansion of business or use area. Each PERMIT, whether an LLC/Corp or not should only be allowed 3 GUA’s!!! This became the issue years ago and why they are currently not allowed. Again, we were case in point. Scott Newman added me to his permit and expanded his GUA’s by doing so from 3 to 6. While it did allow us to save Scott from financial ruin do to an unexpected occurrence that was not our original intent. Other guides complained and we voluntarily quit doing it once Scott recovered and after that the USFS said “no more”. I think at that time we all agreed it was best not to have such entities if they allowed for uncontrolled expansion. But we would welcome the idea if certain controls were in place.

No permit, regardless of the size, if it’s a Corp/LLC or whatever should be allowed to have more than one guide at a time signing contracts or using more than 3 GUA’s.

This also lends some question and confusion to the end of a business. In essence an LLC or Corporation can simply change the figure head or president, circumventing the transferability issue, or the idea of stopping transferability. At the time of issuance a permit the involved Corp./LLC must name a president/figurehead, which could never

change, for the life of the permit, such a change would result in the permit being treated as if it had been retired, it gets returned to the USFS for reallocation through prospectus.

Overall, the simplest and cleanest solution is no LLC's or Corporations. Currently no one has them with the possible exception of one. The small benefits do not outweigh the consequences of in the field conflict and impact on the resource. There is no place for them and a permit should be issued to an individual.

4) GUA's

This is similar the above questions of LLC/Corps, we really need to address this issue and have some controls put in place. Currently, my permit dictates use by GUA. My permit was structured this way because then it was expected that this would be made the standard for the industry in the future. So far it has not been detrimental in any way for me. While I would appreciate the flexibility of being able to use my 13 permits for brown bear in either of my GUA's it would not be prudent for the resource, or other users. I currently can use 10 in 04-12 and 3 in 04-09. Maybe some flexibility would be good, I have asked to use up to 13 in 04-12 (which has capacity for this use) or up to 4 in 04-09. So some limited flexibility at the Rangers direction is ok. But for me to be able to pick and chose is not good for the resource and can leave things unchecked, or disrupt other users. Leaving it up to the guides is not a good idea; certain levels of restriction must be in place.

In short, one permit should equal three GUA's. Period. And those GUA's should have a cap as to how much harvest can occur in each one. This is critical to proper management and structure to avoid conflicts in the filed.

Thank you for your time and consideration,


Keegan McCarthy

PS- Please use my wife's email and phone number as well if trying to reach me. I will be out on the boat the next month but can use sat phone or come in to town as needed.

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